

# Massachusetts Electric

A National Grid Company



Amy G. Rabinowitz  
*Counsel*

September 4, 2003

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

**Re: D.T.E. 03-20**

Dear Secretary Cottrell:

On March 21, 2003, Massachusetts Electric Company and Nantucket Electric Company (collectively "Company") filed a proposal to refund to customers the Service Quality Penalty incurred for calendar year 2002 during May of 2003. Specifically, the Company proposed a credit factor of 0.302¢ per kilowatt-hour. Subsequently, on August 19, 2003, the Company submitted to the Department an update to its calculation of the per kWh credit, proposing to refund the Service Quality penalty during the billing month of September. Attachment 1 was revised at this time to show a September bill credit of 0.258¢ per kWh based on estimated September 2003 kWh. The Department has not yet acted on either of these two proposals.

By this filing, the Company requests Department approval to refund customers this Service Quality Penalty on their October 2003 bills. The Company anticipates that the October 2003 bills will show different usage than that reflected in either May 2003 or September 2003 bills. Therefore, the Company proposes to implement a Service Quality credit of 0.284¢ per kilowatt-hour. I am enclosing a second revised Attachment 1 to the March 21, 2003 filing, which shows the calculation of this one-month credit<sup>1</sup>.

The Company respectfully requests Department action on this proposal no later than the close of business on Friday, September 26, 2003, because it will generate its first cycle of October bills the following Monday evening.

Thank you very much for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz

cc: Service List

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<sup>1</sup> Attachment 1 was first revised on August 19, 2003 to show a September bill credit of 0.258¢ per kWh based on estimated September 2003 kWh.

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Massachusetts Electric Company  
Nantucket Electric Company  
Calculation of \$/kWh Credit Factor for 2002 Net Service Quality Penalty  
One Month Credit in October 2003

(1)	2002 Net Service Quality Penalty	\$4,894,905
(2)	Balance Attributable to 2000/2001 Net Service Quality Penalty	<u>(\$80,328)</u>
(3)	Total Amount to be Credited to Customers in 2003	\$4,814,577
(4)	Forecasted October 2003 kWh Deliveries	<u>1,690,630,395</u>
(5)	Proposed per kWh Service Quality Credit	\$0.00284

- (1) March 3, 2003 *2002 Service Quality Report* filing for Mass. Electric in DTE 03-20, Section 2, Page 1 of 9 of \$4,888,363 plus March 3, 2003 *2002 Service Quality Report* filing for Nantucket Electric in DTE 03-20, Section 2, Page 1 of 9 of \$6,542
- (2) Attachment 2
- (3) Line (1) + Line (2)
- (4) Per Company forecast, reflects Mass. Electric and Nantucket Electric
- (5) Line (3) ÷ Line (4), truncated after 5 decimal places

Massachusetts Electric Company  
Nantucket Electric Company  
Impact on 500 kWh Typical Bill  
One Month Credit in October 2003

**Section 1: Proposed Rates**

	<b>Mass. Electric</b>				<b>Nantucket Electric</b>			
	<u>Updated Credit</u>		<u>Original Credit</u>		<u>Updated Credit</u>		<u>Original Credit</u>	
Customer Charge	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81
Distribution Energy Charge	\$0.02398	\$11.99	\$0.02398	\$11.99	\$0.02398	\$11.99	\$0.02398	\$11.99
Transition Charge	\$0.01002	\$5.01	\$0.01002	\$5.01	\$0.01002	\$5.01	\$0.01002	\$5.01
Transmission Charge	\$0.00660	\$3.30	\$0.00660	\$3.30	\$0.00660	\$3.30	\$0.00660	\$3.30
Demand Side Management Charge	\$0.00250	\$1.25	\$0.00250	\$1.25	\$0.00250	\$1.25	\$0.00250	\$1.25
Renewables Charge	\$0.00050	\$0.25	\$0.00050	\$0.25	\$0.00050	\$0.25	\$0.00050	\$0.25
Cable Facilities Surcharge-Summer	n/a		n/a		\$0.02499	\$12.50	\$0.02499	\$12.50
Service Quality Credit	(\$0.00284)	<u>(\$1.42)</u>	(\$0.00302)	<u>(\$1.51)</u>	(\$0.00284)	<u>(\$1.42)</u>	(\$0.00302)	<u>(\$1.51)</u>
Subtotal		\$26.19		\$26.10		\$38.69		\$38.60
Standard Offer Charge	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>
Total		\$56.81		\$56.72		\$69.31		\$69.22

**Section 2: Present Rates**

	<u>Updated Credit</u>		<u>Original Credit</u>		<u>Updated Credit</u>		<u>Original Credit</u>	
Customer Charge	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81	\$5.81
Distribution Energy Charge	\$0.02398	\$11.99	\$0.02398	\$11.99	\$0.02398	\$11.99	\$0.02398	\$11.99
Transition Charge	\$0.01002	\$5.01	\$0.01002	\$5.01	\$0.01002	\$5.01	\$0.01002	\$5.01
Transmission Charge	\$0.00660	\$3.30	\$0.00660	\$3.30	\$0.00660	\$3.30	\$0.00660	\$3.30
Demand Side Management Charge	\$0.00250	\$1.25	\$0.00250	\$1.25	\$0.00250	\$1.25	\$0.00250	\$1.25
Renewables Charge	\$0.00050	<u>\$0.25</u>	\$0.00050	<u>\$0.25</u>	\$0.00050	\$0.25	\$0.00050	\$0.25
Cable Facilities Surcharge-Summer	n/a		n/a		\$0.02499	<u>\$12.50</u>	\$0.02499	<u>\$12.50</u>
Subtotal		\$27.61		\$27.61		\$40.11		\$40.11
Standard Offer Charge	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>	\$0.06124	<u>\$30.62</u>
Total		\$58.23		\$58.23		\$70.73		\$70.73

**Section 3: Impact**

\$ Increase (Decrease)		(\$1.42)		(\$1.51)		(\$1.42)		(\$1.51)
% Increase (Decrease)		-2.44%		-2.59%		-2.01%		-2.13%

Massachusetts Electric Company  
Nantucket Electric Company  
Calculation of Estimated Refund Amount of  
One Month May Credit Given to Customers in October 2003

(1)	Originally Proposed Service Quality Credit per kWh to be Applied in May 2003 Bills	(\$0.00302)
(2)	Forecasted October 2003 kWh Deliveries	<u>1,690,630,395</u>
(3)	Estimated Amount to be Refunded in October 2003	\$5,105,704
(4)	2002 Net Service Quality Penalty, including Interest	<u>\$4,814,577</u>
(5)	Estimated Over Refund of 2002 Net Service Quality Penalty	\$291,127

- (1) March 21, 2003 Filing in DTE 03-20, Attachment 1, Line (5)
- (2) Per Company forecast, reflects Mass. Electric and Nantucket Electric
- (3) Line (1) x Line (2)
- (4) March 21, 2003 Filing in DTE 03-20, Attachment 1, Line (3)
- (5) Line (3) - Line (4)